

## CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1019

**Citations Affected:** IC 5-10-8.5-18; IC 5-10.2.

**Synopsis:** Public employee retirement. Allows amounts in a retired participant's retirement medical benefits account (account) to be used to pay premiums for individual or group health coverage. Allows: (1) a retired state employee who was eligible to participate in the state group health insurance program (program) but did not file a written request to do so within 90 days after the retired state employee's retirement date; or (2) a retired state employee who is eligible to participate in the program, and on April 1, 2008, has fewer than sixty (60) days after the retired state employee's retirement date to make the written request; sixty (60) days after April 1, 2008, to file a written request to participate in the program and use the balance in the retired state employee's account to pay the premiums for the coverage. Provides a cost of living adjustment (COLA) in 2009 for certain members (or survivors or beneficiaries of members) of the state teachers' retirement fund (TRF). Increases the minimum monthly disability retirement benefit paid to certain members of the public employees' retirement fund (PERF) and TRF from \$100 to \$180. Provides that a distribution of a thirteenth check by PERF or TRF must include distribution to members eligible for disability benefits. (The introduced version of this bill was prepared by the pension management oversight commission.) **(This conference committee report: (1) adds a provision that allows amounts in a retired participant's retirement medical benefits account (account) to be used to pay premiums for individual or group health coverage; (2) adds a provision that allows: (A) a retired state employee who was eligible to participate in the state group health insurance program (program) but did not file a written request to do so within 90 days after the retired state employee's retirement date; or (B) a retired state employee who is eligible to participate in the program, and on April 1, 2008, has fewer than sixty (60) days after the retired state employee's retirement date to make the written request; sixty (60) days after April 1, 2008, to file a written request to participate in the program and use the balance in the retired state employee's account to pay the premiums for the coverage; and (3) resolves a conflict between HB 1019 and SB 133.)**

**Effective:** Upon passage; August 1, 2007 (retroactive); January 1, 2008 (retroactive); July 1, 2008.

## CONFERENCE COMMITTEE REPORT

**MADAM PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1019 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-10-8.5-18, AS ADDED BY P.L.44-2007,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 AUGUST 1, 2007 (RETROACTIVE)]; Sec. 18. ~~(a) Except as provided~~
- 5 ~~in subsection (b);~~ The balance in a retired participant's subaccount may
- 6 be used by the retired participant and the spouse and dependents of the
- 7 retired participant to pay premiums for individual or group health
- 8 coverage. ~~provided by an insurance policy:~~
- 9 (b) If the budget agency requests and receives from the Internal
- 10 Revenue Service an appropriate ruling or determination letter, the
- 11 balance in a retired participant's subaccount also may be used to pay:
- 12 (1) premiums for individual or group health coverage provided by
- 13 a means other than an insurance policy; and
- 14 (2) sickness, accident, hospitalization, and medical expenses of
- 15 the retired participant, and the spouse and dependents of the
- 16 retired participant.
- 17 SECTION 2. IC 5-10.2-4-6 IS AMENDED TO READ AS
- 18 FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)];
- 19 Sec. 6. (a) A member who becomes disabled while receiving a salary
- 20 or employer provided income protection benefits or who is on leave
- 21 under the Family and Medical Leave Act may retire for the duration of
- 22 his the member's disability if:
- 23 (1) the member has at least five (5) years of creditable service

before the:

- (A) termination of a salary or employer provided income protection benefits or Family and Medical Leave Act leave; or
- (B) exhaustion of all worker's compensation benefits;
- (2) the member has qualified for Social Security disability benefits and has furnished proof of the Social Security qualification to the board; and
- (3) at least once each year until the member reaches age sixty-five (65) a representative of the board verifies the continued disability.

For the purposes of this section, a member of the public employees' retirement fund who has qualified for disability benefits under the federal civil service system is considered to have met the requirement of subdivision (2) if ~~he~~ **the member** furnishes proof of the qualification to the board of the public employees' retirement fund.

(b) Benefits for disability shall be paid beginning with the month following the onset of disability as determined by the Social Security Administration. The benefit is the retirement benefit specified in section 4 of this chapter with the pension computed using only the years of creditable service worked to the date of disability and without reduction for early retirement. However, the monthly disability retirement benefit may not be less than one hundred **eighty** dollars ~~(\$100): (\$180).~~

(c) The member may have ~~his~~ **the member's** benefit paid under any of the retirement benefit options specified in section 7 of this chapter, except that the member may not choose to have the member's disability retirement benefit paid under the method specified under section 7(b)(3) of this chapter.

(d) This section applies to:

- (1) a member of the public employees' retirement fund who became disabled after June 30, 1973; and
- (2) a member of the Indiana state teachers' retirement fund who becomes disabled after June 30, 1984, and who chooses disability retirement under this section.

(e) To the extent required by the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and any amendments and regulations to the Act, the transcripts, records, and other material compiled to determine the existence of a disability shall be:

- (1) kept in separate medical files for each member; and
- (2) treated as confidential medical records.

(f) A member may continue to receive disability benefits from the public employees' retirement fund or the Indiana state teachers' retirement fund so long as the member is entitled to receive Social Security benefits, including periods of trial employment or rehabilitation under the Social Security guidelines. However, during a period of trial employment or rehabilitation, service credit may not be granted under the public employees' retirement fund or the Indiana state teachers' retirement fund.

**(g) If the fund is authorized to make, in the form of a single check or a series of checks, a one (1) time distribution that does not increase the pension portion of the monthly benefit, the distribution must include members eligible for disability benefits.**

**A member eligible for disability benefits is required to meet all additional requirements necessary to receive the check or series of checks issued by the fund under this subsection.**

**SECTION 3. IC 5-10.2-5-43.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 43.4. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2008, to a member of the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the Indiana state teachers' retirement fund) who retired or was disabled:**

**(1) before July 2, 2000, shall be increased by two percent (2%); and**

**(2) after July 1, 2000, and before July 2, 2006, shall be increased by one percent (1%).**

**(b) The increases specified in this section:**

**(1) are based upon the date of the member's latest retirement or disability;**

**(2) do not apply to benefits payable in a lump sum; and**

**(3) are in addition to any other increase provided by law.**

**SECTION 4. [EFFECTIVE AUGUST 1, 2007 (RETROACTIVE)] IC 5-10-8.5-18, as amended by this act, applies to premiums paid after July 31, 2007, for individual or group health coverage for a retired participant and the spouse and dependents of a retired participant.**

**SECTION 5. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies to a retired state employee who:**

**(1) retired after July 31, 2007;**

**(2) either:**

**(A) was eligible on the retired state employee's retirement date to participate in the group health insurance program described in IC 5-10-8-8 but did not file a written request to participate in the group health insurance program described in IC 5-10-8-8 within ninety (90) days after the retired state employee's retirement date as required by IC 5-10-8-8(f); or**

**(B) is eligible to participate in the state group health insurance program described in IC 5-10-8-8 and, on April 1, 2008, has fewer than sixty (60) days after the retired state employee's retirement date to file a written request to participate in the group health insurance program described in IC 5-10-8-8 as required by IC 5-10-8-8(f); and**

**(3) was eligible on the retired state employee's retirement date to receive a benefit from the retirement medical benefits account established under IC 5-10-8.5.**

**(b) Notwithstanding IC 5-10-8-8(f), a retired state employee has sixty (60) days after April 1, 2008, to file with the employer from whom the retired state employee retired a written request to participate in the group health insurance program described in IC 5-10-8-8. The employer shall accept the retired state employee's**

1 request and allow the retired state employee to participate in the  
2 group health insurance program described in IC 5-10-8-8, if the  
3 retired state employee:

- 4 (1) is otherwise eligible to participate in the program; and  
5 (2) complies with the requirements of the program, including  
6 payment of the employer's and employee's premium for the  
7 group health insurance for an active employee.

8 (c) A retired state employee who elects under subsection (b) to  
9 file a written request to participate in the group health insurance  
10 program described in IC 5-10-8-8 may use the balance in the  
11 employee's subaccount of the retirement medical benefits account  
12 to pay the premiums for the coverage, as provided in  
13 IC 5-10-8.5-18, as amended by this act.

14 (d) This SECTION expires December 31, 2008.

15 SECTION 6. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]  
16 IC 5-10.2-4-6, as amended by this act, applies to disability  
17 retirement benefits payable by the Indiana state teachers'  
18 retirement fund and the public employees' retirement fund after  
19 December 31, 2007.

20 SECTION 7. An emergency is declared for this act.

(Reference is to EHB 1019 as printed February 15, 2008.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1019**

**S**igned by:

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Representative Avery  
Chairperson

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Senator Meeks

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Representative Buell

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Senator Hume

**House Conferees**

**Senate Conferees**